

Message Text

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17

ACTION EA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-01

INR-07 NSAE-00 USIA-15 XMB-04 OPIC-06 SP-02 CIEP-02

LAB-04 SIL-01 OMB-01 L-03 /069 W

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P 220915Z JUL 75

FM AMEMBASSY MANILA

TO AMCONSUL HONG KONG PRIORITY

INFO SECSTATE WAUHBC 5696

US CUSTOMS SERVICE WASHDC

UNCLAS MANILA 10020

CUSTOMS FOR OFFICE OF INVESTIGATIONS

E.O. 11652: NA

TAGS: ETRD, RP

SUBJ: COUNTERVAILING DUTY - CERAMIC TILES

REF: (A) MANILA 9382; (B) TREASURY CABLE OF JULY 11 FROM MARIO
COZZI, CHIEF, FOREIGN INVESTIGATION BRANCH

1. EMBASSY UNDERSTANDS AND APPRECIATES URGENCY OF RAPID ACTION
ON COUNTERVAILING DUTY CASE ON CERAMIC TILES IM LIGHT OF
STATUTORY REQUIREMENTS. AT SAME TIME, WE ARE CONCERNED THAT
NEED FOR RAPID ACTION COULD WELL RESULT IN MISCONSTRUING
OF ASPECTS OF PHILIPPINES' COMPLEX INVESTMENT INCENTIVES ACT
AND TAX AND CUSTOMS CODES, WHICH MIGHT LEAD TO CONCLUSIONS
WHICH WOULD LATER NEED TO BE REVISED.

2. LIM INVESTIGATION DISCLOSED THAT, WHETHER OR NOT THERE IS
POSITIVE FINDING OF BOUNTY, DOLLAR VALUES INVOLVED ARE TRIFLING.
COMPLEXITY OF MATTER IS ATTRIBUTABLE TO FACT THAT INVESTMENT
INCENTIVES ACT IS AN INVESTMENT-STIMULATING ACT, NOT AN EXPORT
STIMULATING ACT. THUS, BENEFITS A REGISTRANT UNDER THE
ACT RECEIVES, OTHER THAN DUTY AND IMPORT-TAX DRAWBACK,
ARE RECEIVED IRRESPECTIVE OF WHETHER OR NOT OUTPUT IS
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EXPORTED. MOREOVER, ONLY REGISTRANTS UNDER THE ACT

RECEIVE BENEFITS, SO THAT FOR MANY PRODUCTS OTHER THAN CERAMIC TILES SOME EXPORTERS MIGHT RECEIVE BENEFITS AND OTHERS NOT (FOR CERAMIC TILES, THERE IS ONLY ONE EXPORTER, WHO IS REGISTERED). FINDING THAT THERE IS A BOUNTY WOULD, THEREFORE, FOR SMALL DOLLAR VALUE INTRODUCE MAJOR COMPUTATIONAL PROBLEMS FOR U.S. CUSTOMS AS WELL AS FOREIGN POLICY COMPLICATIONS SINCE FINDINGS WOULD BE APPLICABLE TO PRODUCTS OF OTHER PRODUCERS REGISTERED UNDER THE ACT.

3. EMBASSY WOULD THEREFORE APPRECIATE OPPORTUNITY TO REVIEW AND COMMENT ON LIM REPORT WHILE IT IS STILL FLUID. IT IS EMBASSY UNDERSTANDING THAT FIELD REPORT IS PRESENTATION OF FACTS, WITH CONCLUSIONS DRAWN IN WASHINGTON. EMBASSY BELIEVES ITS REVIEW AT THIS STAGE WILL FACILITATE WASHINGTON PROCEDURES, SAVING TIME IN LONG RUN. REQUEST. THEREFORE, THAT DRAFT BE SENT TO MANILA FOR REVIEW BEFORE TRANSMITTAL TO WASHINGTON.
SULLIVAN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CERAMICS, COUNTERVAILING DUTIES
Control Number: n/a
Copy: SINGLE
Draft Date: 22 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MANILA10020
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750252-0636
From: MANILA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750734/aaaabehta.tel
Line Count: 79
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 75 MANILA 9382, 75 TREASURY CABLE OF JULY 11
Review Action: RELEASED, APPROVED
Review Authority: CollinP0
Review Comment: n/a
Review Content Flags:
Review Date: 05 MAR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <05 MAR 2003 by ThomasVJ>; APPROVED <17 MAR 2004 by CollinP0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: COUNTERVAILING DUTY - CERAMIC TILES
TAGS: ETRD, RP
To: HONG KONG
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006